

Rep. Barrow Requests a Tour of Doncasters Effingham Facility as the Dubai Government Delays the Proposed \$1.2 Billion Deal

Savannah, GA – In light of the recent news that the Dubai government has decided to delay Dubai International Capital's pending acquisition of Doncasters Group Limited, which owns and operates a tank and military aircraft engine parts plant in Rincon, Georgia, 12th District Georgia Congressman John Barrow (D-Savannah) today sent a letter to the local plant manager asking for an extensive tour of the Effingham County facility.

In the letter, Barrow wrote that, "as the Member of Congress representing the employees of this plant and their families, I need to know more about the facts surrounding this proposal...it is essential that all aspects of this proposed acquisition are thoroughly studied – from the potential national security implications of the purchase to the direct effects on the individual employees at Doncasters Effingham."

Copies of Barrow's letter were also sent to the CEO of Doncasters Group Limited, Eric J. Lewis; the Executive Chairman of Dubai Holding, Mohammed Al Gergawi; Secretary of the U.S. Treasury, John Snow; and Staff Director of the Committee on Foreign Investment in the United States, Gay Hartwell Sills.

The press reported on March 2, 2006, that the Committee on Foreign Investment in the United States (CFIUS) had launched a 45-day investigation into Dubai International Capital's pending purchase of Doncasters Group Limited, a British held company which owns 9 plants in the United States. If the 45-day review process actually started in late February, as reported, it should be completed by early April.

"This CFIUS process is a flawed process that's being conducted behind closed doors," Barrow said. "It is becoming increasingly clear that there isn't adequate oversight in place to determine if these types of deals pose a national security concern, or at least any accountability to ensure that these deals are not being rubber stamped."

"Supposedly, CFIUS is half way through this secret review process for the Doncasters deal, but we have no way of knowing anything about the status of their investigation, or even if a proper investigation is being conducted at all," Barrow continued. "If we are going to put the concerns of America first, we need to seriously revamp the process of reviewing foreign investment in the United States and allow for some much needed oversight."

Under current law, CFIUS investigations are kept confidential. The Committee does not provide Congress with any information about deals that are approved. Instead, Congress is notified only if the President decides to block a deal. Since being given the authority to review these transactions, CFIUS has acknowledged receiving over 1,500 notifications of foreign acquisitions. Of those 1,500 notifications, only 1 transaction has ever been blocked by the President – in 1990.

Earlier this month, Barrow introduced the Protect America First Act (H.R. 4917), which would require that CFIUS notify appropriate members of Congress about pending foreign investments in the United States. In addition, it requires that CFIUS notify those Members within one day of deciding to launch an actual security investigation. Barrow's bill also calls on the President to move CFIUS responsibilities from the Treasury Department to the Department of Homeland Security. CFIUS would then be chaired by the Secretary of Homeland Security, rather than the Secretary of the Treasury.

Barrow has also requested that Treasury Department Secretary John Snow release all records related to CFIUS investigations conducted since September 11th, 2001. So far, the Treasury Department has failed to respond.

Below is the full text of the letter that Congressman Barrow today sent to the Plant Manager of the Doncasters Effingham facility:

March 21, 2006

Doncasters Effingham

145 Industrial Boulevard

Rincon, GA 31326

Plant Manager of Doncasters Effingham,

As you know, the proposed purchase of the Doncasters Effingham facility to Dubai International Capital has become part of a national debate about the potential risks associated with increasing foreign investment in the United States – specifically, foreign investment in American businesses vital to our national security and military defense. I am glad to see the recent news that the Dubai government has decided to delay the pending sale in order for someone to conduct a more thorough review.

However, questions remain. As the Member of Congress representing the employees of this plant and their families, I need to know more about the facts surrounding this proposal and the national security implications that may be involved in the acquisition.

On March 2, 2006, the day it was originally reported that the Treasury Department's Committee on Foreign Investment in the United States (CFIUS) had launched a 45-day investigation into Dubai International Capital's pending acquisition of Doncasters, my office placed calls to both the Doncasters plant in Rincon, Georgia, and Doncasters U.S. Headquarters in Connecticut. In both phone calls, we were told that the plant and the company had no comment on the sale. To try and obtain some additional information about the reports, we asked to speak to a manager at both locations. Both requests to speak to someone in company management were denied.

It is reported that your facility produces turbine engine parts critical to tanks and military aircraft. As a result, one must assume that the Doncasters Effingham facility plays a necessary and substantial role in the nation's ongoing military efforts in Iraq and Afghanistan. In order to examine this more closely, I would appreciate the opportunity to take a tour of the facility. On the tour I would like to see all aspects of the plant, and would appreciate a guide who is well informed, and able to discuss classified topics, should there be any, related to the facility.

Right now, Congress is considering a number of different pieces of legislation that may have a direct impact on Dubai International Capital's pending acquisition of Doncasters. Even with today's news of the purchase delay, it is essential to ensure that all aspects of this proposed acquisition are thoroughly studied – from the potential national security implications of the purchase to the direct effects on the individual employees at Doncasters Effingham.

Thank you for considering my request for a tour and meeting. It is my hope that this tour can occur before the conclusion of the ongoing CFIUS investigation. To set up a date and time, please contact my Savannah District office at 912-354-7282. I look forward to hearing from you.

Sincerely,

John Barrow

Member of Congress

cc: Eric J. Lewis; CEO, Doncasters Group Limited

cc: Mohammed Al Gergawi; Executive Chairman, Dubai Holding

cc: John Snow; Secretary of the United States Treasury

cc: Gay Hartwell Sills; Staff Chair, Committee on Foreign Investment in the United States

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